RED RIVER REDEVELOPMENT AUTHORITY FACT SHEET

AUGUST 24, 2010

SUPPORTING TESTIMONY FOR
TEXAS SENATE COMMITTEE ON VETERAN AFFAIRS AND MILITARY INSTALLATIONS

1995 REALIGNMENT OF RED RIVER ARMY DEPOT

- 765 ACRES SURPLUS
- 1 MILLION SF OF BUILDINGS
- 96% OF BUILDINGS ARE LEASED OR SOLD.
- 1,000 JOBS CREATED (75% FEDERAL/DEFENSE & 25% COMMERICAL)
- 30% OF VACANT LAND REMAINING TO BE SOLD

2002 PRIVATIZATION OF UTILITIES AT RED RIVER ARMY DEPOT AND LONE STAR ARMY AMMUNITION PLANT

- 20 YEAR \$80 MILLION SERVICE CONTRACT WITH \$20 MILLION IN GUARANTEED CAPITAL UPGRADES
- INCLUDES WATER, WASTE WATER AND INDUSTRIAL WASTE WATER
- SERVICE AREA COVERS 52 SQUARE MILES
- INITIAL ARMY SAVINGS OF 25% PLUS >5% SAVINGS DUE TO ADDING NEW CUSTOMERS

2005 CLOSURE OF WATTS-GUILOTT US ARMY RESERVE CENTER

- REUSE PLAN AND HUD APPROVALS COMPLETE
- PUBLIC BENEFIT CONVEYANCE APPLICATION APPROVED BY DEPARTMENT OF EDUCATION
- AWAITING CONSTRUCTION OF NEW JRC AT RED RIVER ARMY DEPOT
- TRANSFER ANTICIPATED IN 2012 TO TEXARKANA COLLEGE FOR NEW CONSTRUCTION TRADES PROGRAM

2005 REALIGNMENT OF RED RIVER ARMY DEPOT

- ENDS THE MUNITIONS MISSION AT RRAD
- SURPLUS OF 3,800 ACRES AND 150 AMMUNITION STORAGE IGLOOS
- ENVIRONMENTAL CLEAN-UP UNDERWAY
- ARMY TO RETAIN TIMBER RIGHTS FOR 6.5 YEARS AND WILL SELL 900 ACRES AT AUCTION
- FOST AND TRANSFER TO REDEVELOPMENT AUTHORITY IN 2011/2012

2005 CLOSURE OF LONE STAR

- ENDS GOCO PRODUCTION OF AMMUNITION AND MUNITIONS STORAGE
- SURPLUS OF 15,600 ACRES OF LAND AND MILLIONS OF SQUARE FEET OF PROPERTY
- ARMY ESTIMATED CLEAN-UP COSTS EXCEED \$150 MILLION
- REUSE PLAN, HUD APPROVAL, EDC APPLICATION ALL SUBMITTED AND APPROVED
- DAY & ZIMMERMANN WILL PURCHASE 5,400 ACRES AND RETAIN 300 JOBS
- OTHER TENANTS HAVE NEGOTIATED AGREEMENTS TO STAY
- ARMY TO RETAIN 1,300 ACRES OF MOST HEAVILY CONTAMINATED PROPERTIES.
- REDEVELOPMENT AUTHORITY TO ACQUIRE OVER 8,000 ACRES AT NO ADDITIONAL CONSIDERATION
- TMPC RECENTLY AWARDED DEAAG ARRA FOR NEARLY \$800K TO ADDRESS RETRAINING FOR D&Z EMPLOYEES AS WELL AS TRAINING FOR THE REMAINING ACTIVE MISSION AT RRAD.

NEEDS

- \$13 MILLION IN CAPITAL INVESTMENT IN THE FIRST 6 YEARS JUST TO ADDRESS BASIC NEEDS
 - 150 MILES OF ROAD NETWORK
 - o 36 MILES OF RAIL
 - MILLIONS OF SQUARE FEET OF BUILDINGS
 - NEARLY 10,000 ACRES OF ENVIRONMENTAL RESOURCES TO MANAGE
- \$5 MILLION OVER NEXT TWO YEARS JUST TO GET INFRASTRUCTURE TRANSFERRED AND UP TO CODE TO SUPPORT IMMEDIATE NEEDS FOR JOB RETENTION (ELECTRIC UTILITY CIAC IS \$1 M, FOR EXAMPLE)
- DEAAG INSUFFICIENTLY FUNDED
- DEAAG AWARD SCORING MECHANISM FAILS TO TAKE INTO ACCOUNT THE MASSIVE INFRASTRUCTURE NEEDS OF THE SITE VERSUS THE NUMBER OF JOBS THAT CAN BE REASONABLY CREATED.
- SOME NOMINAL STATE FUNDING WILL BE CRITICAL TO RETAIN JOBS AND TO MAKE ANY REASONABLE CHANCE OF REDEVELOPMENT POSSIBLE.